



STATE OF MISSOURI

# REAL ESTATE COMMISSION NEWS BULLETIN

July 2017

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## CONSUMER LINE

Some of the most common questions received from real estate professionals on the Consumer Line concern getting around the inducement statute {§339.100 (2) (13) RSMo.}. Frequently, agents ask if they can sponsor a contest on social media with the intent to market themselves in a highly competitive field. Some agents want to sponsor a contest on their Facebook page or conduct a drawing at a trade show that results in awarding a gift card. The agents say the gifts are not tied to clients signing a brokerage service agreement. That is an obvious violation of the statute. The catch 22 is the wording in the statute that says "Using prizes, money, gifts, or other valuable consideration as inducement to secure customers..." If a complaint is filed by a competitor, the Commission will review the complaint and determine if a violation has occurred.

The consumer line is also frequently used by brokers and agents asking MREC to assist them in resolving contract issues or asking how a contract should be amended to accomplish a particular objective. MREC staff are not attorneys and cannot give legal advice as to verbiage of a contract. Brokers should consult the Missouri Realtor®'s legal line or consult their own legal counsel.

## REFERRAL VS. INACTIVE STATUS

MREC does not have a "Referral" status license. If a licensee wants to only do referral real estate business, the licensee must hold a **full active license** and be affiliated with a company, which means they must meet the continuing education (CE) requirements and pay their license renewal fee on-time. There are some real estate companies that solely affiliate with licensees who only do referrals.

If a licensee holds an "Inactive" Salesperson/Broker license, the licensee cannot conduct real estate business or participate in any real estate activities that require a license. Licensees with an inactive license cannot receive compensation for a referral, nor are they required to meet the CE requirements, but must pay the renewal fee. To re-activate the license, the person must re-take the 24-hour Missouri Practice course and pay the appropriate fee.

## THINGS TO PONDER

- 1) Once moved, how many days does a licensee/company have to change their address with the MREC?
  - a) 24 hours
  - b) 72 hours
  - c) 10 days
  - d) 30 days
  - e) 60 days
- 2) A broker shall return to the Commission a licensee's license within \_\_\_ of the termination of the association of any broker-salesperson or salesperson.,
  - a) 24 hours
  - b) 72 hours
  - c) 10 days
  - d) 30 days
  - e) 60 days
- 3) If you are applying for a license in Missouri, and hold a license in another state(s), you shall obtain a Certification of Licensure from the state(s). How recent must the Certification have been issued to be considered valid?
  - a) 30 days
  - b) 60 days
  - c) 3 months
  - d) 6 months
  - e) 1 year
- 4) The civil penalty that may be imposed by the Commission for practicing real estate without a current license shall not exceed \_\_\_\_\_ for each offense with a maximum penalty of \_\_\_\_\_?
  - a) \$ 100; \$ 1,000
  - b) \$ 500; \$ 2,500
  - c) \$1,000; \$10,000
  - d) \$2,500; \$25,000
  - e) \$1,000; there is no maximum penalty.
- 5) Which of the following is not a requirement of an applicant for a Missouri Real Estate license?
  - a) Citizen of the United States.
  - b) At least 18 years of age.
  - c) Good reputation for honesty, integrity, and fair dealing.
  - d) Competent to transact business to safeguard the interest of the public.
  - e) All of the above are required.

*(Answers found on last page)*

## COMPANIES UNDER COMPANIES AND TEAM NAMES

Any time a company, Association (LLC), Corporation (Inc.), or Partnership, receives a paid commission for real estate business, a license is required of the company. Each licensed company must be supervised by a Designated Broker.

Occasionally, a group of licensed individuals within a company may wish to conduct business as a team/separate company within a company. If operating as an association, corporation, or partnership, the group is required to obtain a company license. If a licensed company chooses to also hold themselves out as a team, the "team name", would be considered a fictitious name, as it is not the legal name of the company.

In order for a licensed company to receive a commission from an affiliated (parent) company, that company would have to hold a title within the "parent" company, and be licensed as a title holder. This would result in a total of 3 licenses: a broker license for the Designated Broker, a company license, and the company's Broker license affiliated with the "parent" company. Alternatively, if a company wishes to allow "teams" to conduct business through them, and the "team" is not an association, corporation, or partnership, then the team name must be registered with the Missouri Secretary of State's office, and then subsequently registered with the MREC office.

The Missouri Real Estate Commission also regulates Professional Corporations (PC's). The PC licenses are issued to Broker-Salespersons and Salespersons, and serve as a corporation-type license which does not require designating a Broker, or a company license, as the PC is a sole license held by an individual.

Keep in mind that although teams and groups may want to achieve brand recognition, their advertising must include their affiliate company information.

## BRANCH OFFICES [20 CSR 2250-8.030 (1 – 4)]

Whenever a real estate company/sole proprietor has affiliates who are conducting real estate business from an address that varies from the company address of record, the designated broker for the company must register the branch office with the MREC using an Application for License/Information Change form.

As an example, a company's main office may not be large enough to accommodate all of its affiliates, so they may buy/rent office space across town where real estate business will be conducted. This new office space must be registered with the MREC as a branch office.

Please note that each branch office must have a branch manager. The branch manager can be the designated broker or the designated broker can appoint a branch manager, who must hold a Broker type license. A Salesperson cannot be a branch manager. All signage requirements must be met by the branch office.

## ADDRESS/NAME CHANGES

All licensees **must** ensure that the Commission has the correct mailing address, telephone number, and name on record. Licensees must notify the Commission in writing within 10 days following a change in name or home address as required by 20 CSR 2250-4.020 (4).

If your personal contact information changes, notify the Commission promptly in writing either by submitting the "Address or Name Change Application" or online by clicking on the icon "Address/Name Change Notification:" <http://pr.mo.gov/realestate-coa.asp>. If you need additional assistance, please contact a member of our licensing staff at 573-751-2628, option 2.

### DISCIPLINARY ACTIONS

If you are interested in viewing disciplinary actions taken by the Commission, you will find the information online at: <http://pr.mo.gov/realestate-disciplines.asp>

### LICENSEE REPORT- JANUARY 2017 42,050 TOTAL

Broker Licenses:	12,126
Salesperson Licenses:	26,139
Entity Licenses:	3785

## STATE AND NATIONAL EXAM REGISTRATION WITH AMP

As of April 17, 2017, when applying for the AMP exam, whether online or by phone, the first question asked of candidates is, "Do you have a certificate of completion from the 48-hour Salesperson/Broker Pre-examination Course that displays the completion date within six months of your intended examination date?" The candidate will then be asked to enter the completion date of the respective course. Scheduling will only show available dates for a maximum of 6 months from the course completion date that was entered. After the allowable timeframe passes, a new course completion will be required.

This process has been implemented for two reasons: (1) to ensure that the Candidates complete the 48-hour course first, prior to taking the exams, and (2) to make sure the exams are completed within six months of the course completion certificate date.

The exam candidates will be informed if their Certificate of Completion for the 48-hour Salesperson/Broker Pre-examination Course is no longer valid, and that they will **NOT** receive credit for the exam if they proceed to take the test.

MREC anticipates that these additions to the exam application process will aid in ensuring the required steps are done correctly, and that they are completed within the six month timeframe.

## HB 600 SUSPENSION PROCESS

Under the requirements of Section 324.010 RSMo., the Missouri Real Estate Commission receives notification from the Missouri Department of Revenue when licensees have unresolved tax compliance issues. MREC sends initial notification letters to the licensees informing them of the tax issue. They are provided with an approximate date for license suspension. The letter is mailed approximately 12 weeks prior to the MO Department of Revenue effective suspension date, and is sent only to the affected licensee (NOT the affiliated broker).

If the licensee does not get the tax issue resolved by the deadline, a suspension letter will be drafted. A suspension letter is sent to the licensee and a copy sent to their designated broker. Upon receipt, the designated broker is then required to return the licensee's original license to the MREC office within 10 days.

If you are an Individual Broker and are suspended, you are required to close your sole proprietorship. If you are the Designated Broker for a company and are suspended, you will be required to either close the company or immediately change designated brokers.

**If your Salesperson license is suspended due to HB600, you must cease conducting real estate business immediately. If your broker license is suspended due to HB600, you (and any licensees affiliated with you/your company) must cease conducting real estate business immediately. You may not resume real estate activities until MREC reinstates your license.**

## CONTINUING EDUCATION

Every individual who holds an Active Real Estate license must complete, during the two (2)-year license period prior to renewal, a minimum of twelve (12) hours of Missouri Real Estate Commission approved Continuing Education (CE). At least three (3) of the twelve (12) hours must be Core hours. The remaining required hours shall consist of Missouri Real Estate Commission approved core or elective courses.

Continuing education hours taken by Brokers between July 1, 2016, and June 30, 2018, will be applicable to the 2018-2020 license renewal cycle. Continuing education hours taken by Salespersons between October 1, 2016, and September 30, 2018, will be applicable to the 2018-2020 renewal.

If ALL Continuing Education hours are completed by broker licensees by March 31, 2018, and by salesperson licensees by June 30, 2018, then you should receive a renewal notice with the CE printed in Section 1 of the renewal form. If CE is not completed prior to the printing of the renewal notices, that information will be indicated in Section 1.

Please note that schools have 10 days to upload the course completion information to the MREC database. Once uploaded, if all 12 hours are on file, the renewal may be completed online. If CE course(s) are completed within 10 days of your expiration date, there is no guarantee that your courses will be uploaded to your record in time for the online renewal option; therefore, you will have to mail in a paper renewal. The emphasis is to get your required CE done early so you can renew online and not get caught in the last minute backlog of renewals.

**Individual Request for Continuing Education Credit (ICE)** deadlines to submit applications for non-preapproved course credit are:

Broker type licensees– March 30, 2018  
Salesperson type licensees – June 30, 2018

## **2018-2020 RENEWALS**

All Broker type license renewals will be mailed to the licensee's home address on record and all company license renewals will be mailed to the company's business address on record, as of mid-April 2018. **A renewal will be sent for each license that you hold.** Broker type and company licenses expire June 30, 2018.

Please remember that if you are the Designated Broker for the company, it is your responsibility to renew both your personal license and your company's license. Additionally, the licenses of the company's affiliates will not be renewed until both the designated broker and the company licenses have been renewed.

All Salesperson type renewals will be mailed to the licensee's home address on file with the MREC as of mid-July 2018. Salesperson type licenses expire September 30, 2018.

You are encouraged to renew online, as that is the quickest way to renew your license(s). Company licenses and ALL Inactive licenses can be renewed online as soon as the renewals are received by the licensee, as there is NO CE required for these license types. Once your CE is loaded into MREC's database, the website will update overnight. Once your CE shows up online, you should be able to complete the renewal process online.

## **CERTIFICATIONS OF LICENSURE**

The Missouri Real Estate Commission no longer accepts online certifications of licensure from the following states: Kansas, Florida, and Arizona. Other states may be added if deemed appropriate by MREC.

MREC has discovered that not all pertinent information is listed on the above states' online licensee searches. This includes, but is not limited to, incomplete complaint and discipline information, as well as some information not being guaranteed as accurate.

Certifications of Licensure must be obtained directly from the above state's Real Estate Commissions within 90 days of submission to MREC. Certifications may be emailed, mailed or faxed to MREC. Contact information is listed on the last page of the newsletter.

## **LICENSE TRANSFERS**

All license transfers require submission of the original license to the MREC office. Copies of original licenses are not an acceptable alternative. A Broker may submit the license with cancellation paperwork to MREC, or the Broker can give the licensee their license to submit with their application.

If the license has been lost/misplaced, a signed/dated statement by the Designated Broker may be submitted in lieu of the original license.

## 2017 RULE REVIEW

Pursuant to **Executive Order 17-03** and **Section 536.175 RSMo.**, the MREC will be conducting a review of all of its rules between now and 2018. The MREC will be taking public comments on any of its rules during its October 4, 2017 and December 6, 2017 commission meetings. Public comments can also be **submitted online** or submitted in writing and mailed to the MREC during the scheduled rule review time period (July 1 through September 15, 2017). If you would like to submit a comment on a rule, please visit our website at [www.pr.mo.gov/realestate.asp](http://www.pr.mo.gov/realestate.asp).

## MARK IT “SOLD”!!!!

Recently, MREC has received numerous inquiries concerning when a “SOLD” rider can be placed on the for sale sign. Over the years, the Missouri legislature has amended Section 339.010 RSMo., which includes the definition of SOLD. The definition now reads: "Sold", as used in sections [339.010](#) to [339.180](#) and sections [339.710](#) to [339.860](#)\*, shall mean that the title to the real estate has been transferred or that the real estate has become subject to a bona fide sale contract or purchase agreement.

## NEWSLETTER RE-INSTITUTED

The Commission recently directed MREC staff to re-institute the MREC Newsletter as a means to better keep real estate professionals informed. As many of you know, the MREC newsletter was previously published and mailed to all Missouri real estate licensees. The last published newsletter was October 2011. The old newsletters can still be accessed from our website. We anticipate doing two newsletters each year; one in January and one in July. The newsletter will only be accessible through our website ([www.pr.mo.gov/realestate.asp](http://www.pr.mo.gov/realestate.asp)). Click on “General Information” and then click on “Newsletters” to read. If you have ideas for future newsletters, or topics you would like to see addressed, please e-mail them to us at: [realestate@pr.mo.gov](mailto:realestate@pr.mo.gov).

### UPCOMING MEETINGS AND WORKSHOPS

#### COMMISSION MEETINGS FOR REMAINDER OF 2017

August 9, 2017

October 4, 2017

December 6, 2017

(Contact MREC for further information)

#### INSTRUCTOR DEVELOPMENT WORKSHOP (IDW)

September 22, 2017 (St. Louis) hosted by St. Louis Association of REALTORS® (Contact SLAR for additional workshop details)

#### EDUCATORS’ WORKSHOP – 2017

October 23, 2017 (Jefferson City)

(Contact MREC for further information)



## **GOVERNOR**

The Honorable Eric R. Greitens

## **DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION**

Chlora Lindley-Myers, Director

## **DIVISION OF PROFESSIONAL REGISTRATION**

Kathleen (Katie) Steele Danner,  
Division Director

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Jefferson City, Missouri

Charles Misko, Vice Chairperson  
(Public Member)  
St Louis, Missouri

Charles Davis, Member  
Wildwood, Missouri

William Gratz, Member  
Jefferson City, Missouri

Judith Huntsman, Member  
Springfield, Missouri

Stephen Kenny, Member  
Neosho, Missouri

Rosemary Vitale, Member  
Kansas City, Missouri

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Carmen M. Cobb, Licensure Supervisor

DeWayne Hickey, Enforcement  
Supervisor

## **Missouri Real Estate Commission**

3605 Missouri Boulevard  
P.O. Box 1339  
Jefferson City, Missouri 65102

Phone: (573) 751-2628

Option: 1) General Information  
2) Licensing  
3) Consumer Group  
4) Complaints & Investigations  
5) Audits  
6) School & Courses

Fax: (573) 751-2777

Email: [Realestate@pr.mo.gov](mailto:Realestate@pr.mo.gov)

Website: <http://pr.mo.gov/realestate.asp>

The Missouri Real Estate Commission office is open Monday-Friday, 8 a.m-5 p.m., except State Holidays. Walk-ins are asked to arrive no later than 4:30 p.m. At this time, MREC is not set up to take payment by credit/debit card.

## ***Things to Ponder Answers***

1. **10 days** - 20 CSR 2250-4.020(4)
2. **72 hours** - 20 CSR 2250-4.050(3)
3. **3 months** - 20 CSR 2250-4.080 (A)(2) & (B)(2)(4)
4. **Civil penalty imposed by the Commission shall not exceed \$2,500 for each offense with a maximum penalty of \$25,000 - §339.205(2) RSMo**
5. **Citizen of the United States** - §339.040(1) and (3) RSMo.

## **DISCLAIMER**

This publication is designed to discuss common practice issues or issues of concern for real estate agents. It is provided with the understanding that the publisher is not engaged in rendering legal, accounting, or other professional service. If legal advice or other expert assistance is required, the services of a competent professional should be sought. The Missouri Real Estate Commission grants permission to reprint articles which appear in this newsletter on condition that recognition of their original publication in the MREC Newsletter also appears with the article. MREC often solicits articles from outside experts or reprints articles with permission. While we feel that these articles may offer a broader perspective and will be of interest to the reader, it should be remembered that the views expressed are those of the author and not necessarily those of the Commission, and do not constitute additional policies and/or rules of the Commission above those currently adopted by Missouri statute and/or rule. Permission to reprint solicited articles must be obtained from the article source.